

**PROJECT # 2002-05**

**SCHOOL DISTRICT OF ESCAMBIA COUNTY  
INTERNAL AUDITING DEPARTMENT**



**REVIEW OF**

**FERRY PASS MIDDLE SCHOOL  
BAND BOOSTER CLUB**

**DATED: NOVEMBER 7, 2001**

**SCHOOL DISTRICT OF ESCAMBIA COUNTY  
INTERNAL AUDITING DEPARTMENT**

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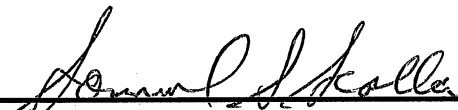
**Field Work Conducted By:**

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**Auditor**

**Report Issued By:**

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**Director, Internal Auditing**

**SCHOOL DISTRICT OF ESCAMBIA COUNTY  
FERRY PASS MIDDLE SCHOOL  
BAND BOOSTER CLUB**

**REVIEW REPORT**

**Background**

Booster clubs are not part of the School District of Escambia County, but are separate and distinct entities. As such, the District exercises no direct authority over them. However, these organizations operate in the name of our schools, use school facilities and resources, operate for the benefit of our students, and solicit contributions from the general public in the name of our schools. For these reasons, the District has a fiduciary responsibility to the public and the students we serve to ensure sound financial management of these organizations through monitoring and periodic examinations of financial activities.

**Scope and Objectives**

We have conducted a review of the financial statements of the Ferry Pass Middle School Band Boosters Club. The objectives of our review were to issue an opinion on the financial statements of the club. In addition, our review included an assessment of internal controls governing the operations of the booster club and an assessment of the club's compliance with applicable statutes, State Board Rules and Board Policies.

Our review covered the period of July 1, 1998 through June 30, 2000. We conducted a limited scope review due to the lack of accounting records maintained by the club. We were only able to obtain records for August 1999 through July 2000. In addition, records provided were limited to bank statements, a check register (missing 1 page with 3 check entries), copies of some checks (not all checks were available) and a hand written financial activities log of deposits and withdrawals prepared by the school's band director in preparation for our review.

This review was conducted at the request of the principal of the school based on her concern regarding outstanding debts owed by the booster club.

**Conclusions**

Due to the lack of documentation described above, we are unable to render an opinion on the financial statements of the band booster club. In addition, the club appeared to be operated solely by the school's band director. There were no internal controls.

**Observations**

No invoices were provided to support the payments made from the booster account. In addition, no documentation was provided that supported deposits made into the account. There were no accounting ledgers, no financial statements, no minutes of meetings or treasurer's reports, no list of club members, officers, and directors or a copy of the bylaws or charter for the club operation.

Based on interviews with the school's band director, we learned the booster club fell into disarray several years earlier and as a matter of necessity the band director took over the club

operations which included adding his name as a signatory on the club's checking account. In addition, funds were collected by him and deposited into the booster club account.

The club operated without any corporate bylaws or articles of incorporation. We found no evidence or indication that the club held any meetings as no minutes of meetings were provided. Additionally, there were no written guidelines documenting operating procedures. No accounting records were maintained, including accounting ledgers, invoices for expenditures, or receipts for deposit.

The band director issued checks to "cash", himself and other members of his family. Based on his statements, these were either salary advances for conducting summer band camp (a loan), salary payments for conducting a summer band camp, or reimbursement for expenditures made on behalf of the club from his personal funds. However, there is no independent documentation or evidence to support or refute these assertions. In addition, cash withdrawals totaling \$1,225.00 were made from the booster club account with no documentation to support who received these funds or what they were used for.

The Charter for our department requires that if, during the course of our work, we encounter evidence of apparent violations of law or instances of malfeasance or misfeasance by an employee of the school district that we consult with the Superintendent and Board Counsel. We believe sufficient evidence exists to document violations of State Board Rules. Accordingly, we have conveyed this information to the Superintendent through the Director of Human Resource Services and Board Counsel for any additional actions considered appropriate.

### **Recommendations**

We understand, based on conversations with the principal at Ferry Pass Middle School that the club no longer exists, however, for future reference we offer the following recommendations. Employees of the District should not be responsible for booster club funds nor have access to club bank accounts. The club should establish minimum acceptable accounting records including accounting ledgers, receipts, or invoices to support expenditures and adequate documentation to support funds deposited into the account. The club should operate under a duly established set of bylaws that identify the separate officers and directors and responsibilities thereof. Minutes of meetings should be recorded and kept. Treasurer reports should be presented to membership with copies of those reports and minutes of the meetings provided to the school principal. The club should make provisions for an annual audit with the report presented to the membership and to the school principal. The club should establish adequate internal controls.

Please see additional recommendations in our report on the operations of Booster Clubs in Escambia County issued to the Board and Superintendent dated August 28, 2001.